REGIONAL REFORM IN NORWAY – EUROPEAN EXCEPTIONALISM?

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Paper to be presented at the 6th ECPR General Conference,
University of Iceland, August 25-27, 2011

Section 93 – The Institutionalization of European Spaces:
Interactions, Practices and Political Work

Panel 476 – Sub-National Actors and the Institutionalization of European Spaces
Introduction

Globalization and Europeanization are key concepts in all current scholarly attempts to capture fundamental changes in European societies. Both terms depart from a state-centred way of thinking, where the nation-state is taken as the main frame of reference for social analyses. Instead of assuming an overlap between state and society, they broaden the view and direct attention to boundary-spanning forces, processes and interdependencies. Globalization and Europeanization refer to a world where most kinds of interactions are expanding and intensifying, and where borders are becoming blurred. When the terms came into frequent use in the 1990s, their implied message was that cross-border transactions and regulations would weaken the nation-states and bring about increasing harmonization and standardization (Ohmae, 1990; Ritzer, 1993). The focus was on global imperatives, which required adaptations and would lead to economic convergence, political alignment and cultural homogenization. Globalization and Europeanization were thus portrayed as tidal waves erasing all essential differences.

Gradually, the picture became more nuanced. Both globalization and Europeanization were perceived as complex and conflict-laden processes, involving actors and stakeholders at different levels. It was pointed out that an increasing interconnectedness also entails greater plurality and multiplicity. The global and the local were mutually influencing each other (Nederveen Pietersen, 2004; Robertson, 1995). Ideas and artefacts were borrowed and rejected, mixed and cross-bred. As economic factors became more mobile, greater importance would likely be attached to the advantages and assets provided by specific places and regions (Scott, 1988; Storper, 1997). Nor would the nation-states wither away. What happened could rather be perceived as a vertical and horizontal rescaling of authority (Brenner, 2004). Since the nation-states turned out to be either too small or too big to handle several of today’s challenges, tasks and responsibilities were pushed upwards to the supranational level, downwards to the sub-national level, or contracted out. The modes of steering were also changing. Old top-down government was replaced by more networked and negotiated forms of governance. Against this background it was assumed that globalization and Europeanization would be accompanied by an increasing regionalization. A widely-held view was that the regions would gain in prominence as part of new multi-actor and multi-level governance systems (Ansell, 2000; Bache and Flinders, 2004; Flinders, 2004).

In recent years, Europeanization studies have underlined that the European Union plays a decisive role in a growing number of fields. The European Commission, the Council, the European Parliament and the European Court of Justice lay down norms, rules, procedures and practices to which the individual member states must conform. European integration is transforming national policies, politics and polities. But as with globalization, this is no straightforward process leading to uniformity. There is apparently a great variation in how the EU is exerting its influence across policy domains, how member states are affected, and what changes actually occur. The general observation is that the processes are mediated by existing institutions and networks, and are shaped by different actor constellations, interests and identities, which themselves may be reconfigured and reassigned through these processes. This has been confirmed by a number of studies (see, for instance, Cowles, Caporaso and Risse, 2001; Knill and Lehmkuhl, 2002; Featherstone and Radaelli, 2003; Bulmer and Radaelli, 2005; Schimmelfennig and Sedelmeier, 2005; Graziano and Vink, 2006; Méndez, Wishlade and Yuill, 2008; Ladrech, 2010; Radaelli and Exadaktylos, 2010).

However, in spite of the enhanced awareness of institutional features, mechanisms and specific contexts of adjustment to which this research has contributed, regionalization still
seems to be regarded as a dominant and mostly unilinear trend. According to Jeffery (2009: 290), decentralization of government is “[o]ne of the most striking political trends of the last thirty-plus years”. In terms of their organization, the regions also tend to be treated as something natural and taken for granted. The concept of region is used more or less synonymously with that of territory or space, without any further specification. Moreover, devolution is typically discussed on the basis of an elevator metaphor, where tasks and responsibilities are moving up and down between distinct levels, like an elevator with prefixed stops. Carter and Pasquier (2010) have called for more research on the constitution of regions, how boundaries are articulated and drawn, what is taken to symbolize the region, and who is entrusted to speak on behalf of the region in various sectors and policy fields. They emphasize that regions are not pre-given territories or ready-made entities, but contested spaces for politics. Hence, it is important to study the ways in which regions become institutionalized.

In this paper we intend to shed light on the structuring of regions. The case to be presented is the Norwegian regional reform, which was implemented from 2010. Norway stands out in a European context by not being an EU member state. But the country has a comprehensive set of agreements with the EU and is influenced by EU developments in many respects. Norway is a small, unitary state with nearly five million inhabitants. At the same time it is a country where geography matters. In terms of space the mainland is about the size of Denmark, the Netherlands and the United Kingdom combined. The country has three democratically elected levels of government, consisting of 430 municipalities, 19 counties and a national government. Over the years, several committees have been appointed by the government to review this system and propose reforms. Early in the 2000s, strong voices gathered in favour of a reform that would create larger and stronger regions. This was followed up by the new red-green coalition government, which in 2005 launched the idea of comprehensive and ambitious regional reform. The reform, however, ended up as the mountain that gave birth to a mouse. The territorial structures were not changed, and only small changes were made in the distribution of tasks between state and regions. In discussing the relationship between the state and sub-national government units over the past decades, several Norwegian researchers have claimed that Norway is now pursuing a centralization policy that is out of step with trends elsewhere in Europe (Fimreite and Tranvik, 2010; Tranvik and Fimreite, 2006; Østerud and Selle, 2006).

We shall therefore in this paper discuss European regionalization processes and the Norwegian regional reform in order to reach a conclusion as to whether Norway constitutes an exception or not. The paper is based on various public documents, scientific publications, articles in newspapers and information from websites. It is organized as follows: Firstly, we briefly review different explanations that have been put forward for the rise of European regions. Secondly, we give an account of the Norwegian government system and the current competing processes of regionalization. Thirdly, we analyse Norwegian regional reform and why it was amputated. Finally, we discuss what can be learned from the Norwegian case regarding institutionalization of regions, and regions as spaces for politics.

The rise of the regions

Regions are not new phenomena. Historically, they preceded in many ways the modern European states. As Rokkan and Urwin (1982) pointed out, state- and nation-building was a protracted process characterized by violent consolidation, cultural control, political inclusion and socio-economic modernization. In this process pre-existing social and political units were merged and reorganized into modern states. Even today, most states have a territorial
organization that reflects old cultural, linguistic, religious or jurisdictional lines of demarcation. This is typical of federal states, in which regional autonomy is enshrined constitutionally, but even in unitary states internal political-administrative borders tend to follow or express some historical divisions.

In the heyday of nation-building, local and regional governments usually played a minor role. But a great transformation occurred with the development of the welfare states. The welfare states extended the rights to which all citizens were entitled, and local and regional institutions became instrumental in providing equal access to an increasing range of public services and benefits. Although the welfare states appeared in different versions (Esping-Andersen, 1990; Manow, 2009), a common feature was the expansion of public functions and tasks carried out at local and regional levels. Previously, public bodies at these levels normally had only a few employees and were largely run on an honorary basis. Now they became specialized formal organizations with professional staff in charge of planning and the provision of a variety of services. Whilst initially erected as apparatuses for the implementation of central government policies, they soon acquired a dynamic of their own.

The new duties and responsibilities delegated to local and regional governments created pressure for a concomitant transfer of authority. All the various programmes and tasks had to be planned, co-ordinated and adapted to local conditions, and many assumed that democratically elected local and regional government councils, placed closer to the relevant fields of intervention, could do this better than a national parliament. Co-ordination of service delivery from below appeared to be a road to enhancing effectiveness and efficiency. The new resources provided by the welfare states also changed the general preconditions for participation and the articulation of claims. What followed in the wake of the build-up of the welfare states was an increasing number of young people with higher education, new modes of communication and new social movements. Hence, the 1960s and 1970s saw an upsurge of regionalism. People demanded more say in their own affairs. A strengthening of local and regional democracy was regarded as an essential element of national democracy. Notably, periphery regions and minority people became more self-assertive and asked for recognition.

Another wave of regionalism and regionalization came about in the 1990s. This time the regions also attracted greater scholarly attention. A number of studies set out to investigate European regions and the effects of European integration on territorial politics (see Christiansen, 1999 for a review). In brief, the literature has offered four different perspectives on the recent regional revival:

The first perspective, which has been strongly advocated in economic geography circles, sees regions in the light of globalization and the transition to a knowledge-based economy. It is noted that increasing competition from newly-industrializing countries is putting Europe under pressure. Old-fashioned interventionist industrial policy has shown to be unable to cope with these challenges. In this perspective innovation is the key to economic development and prosperity, and a main point is that competitive advantages and innovation capabilities are localized. That is, they are concentrated territorially and embedded in networks, institutions and the knowledge spillovers that are facilitated by proximity (Porter, 1998; Cooke, 2001). The focus is thus on the regions as locations for business clusters and innovation systems. The idea of the region as the driver of competitiveness and innovation has been translated into strategies for creating growth coalitions and fostering innovation-based economies in both leading and lagging regions.

The second perspective is preoccupied with new modes of governance in a more complex world. This theme is primarily raised within political sociology and political science circles. It is noted that the nation-states can no longer rely on traditional means of steering and control. Top-down government does not provide the consent, resources and information necessary for successful policy implementation; it hampers mutual coordination; and it leads
to decision overload at the central level. Consequently, modern governance is based on more co-operative and networked arrangements, which include public actors at different levels, as well as semi-public and non-state actors (Bache and Flinders, 2004; Pierre and Peters, 2005). Devolution – the transfer of authority to sub-national units of government – is part of this picture. The devolution process can be driven from below, as is often the case in federal states, or it can be driven from above to unload central government, as is more often the case in unitary states (Rodriguez-Poste and Gill, 2003).

The third perspective depicts the rise of the regions as a product of regionalist movements in European countries. This is a topic that has been dealt with by both historians and social scientists. Here it is emphasized that the regionalist sentiments that became apparent during the 1960s and 1970s have spread (Keating and Loughlin, 1997). The new regionalism has been stimulated by, among other things, the fall of the Iron Curtain, the introduction of democratic reforms in former dictatorships, rising ethnic tensions, and the increasing influence of identity politics. It is also underscored that regionalism has many faces and takes different forms in different places (Keating 1997). There is integration regionalism, striving for full integration and acknowledgment of the region on a par with other regions within the nation-state. There is autonomist or separatist regionalism, which tries to set the region apart on the basis of history, ethnicity and culture. There is defensive regionalism, in which regions that are losers in globalization try to entrench themselves. And there is an offensive, competitive regionalism, where the region aims to take a leading role in global capitalism. Notwithstanding these differences, what they all have in common is the fact that they are challenging the existing nation-states.

The fourth perspective takes the EU as its point of departure and has especially been advanced by political scientists involved in EU studies. In this perspective the EU has been pivotal in promoting regionalization (Hooghe and Keating, 1994; Jeffery, 2000). Important milestones included the reforms of the structural funds in the late 1980s; the setting up of the Committee of the Regions; the adoption of the principle of subsidiarity; and the spread of the emblematic slogan ‘Europe of the Regions’. The EU’s territorial policy was strengthened as an integral part of the single market project of Jacques Delors. As regional disparities were expected to increase, regional policy measures were stepped up to dampen these effects and secure cohesion. Another objective was to mobilize the regions as supporters of the Commission and to create a leeway for circumventing the member states. Thus, the EU has contributed to the formation of regions, something which is clearly demonstrated by the existence of more than two hundred regional offices in Brussels.

The four perspectives outlined above are not mutually exclusive. The first two indicate general trends of an international scope, while the last two are more specifically related to European developments. All four, however, envisage a new regional world and a more salient role for the regions as a third level of government.

**The third level in the Norwegian government system**

In Norway, the counties make up the third level of government. They were established in the 1660s by the introduction of absolute power in the kingdom of Denmark-Norway and they are, in fact, the oldest administrative entities in the country. The counties served as the basic units in the state’s steering hierarchy and were led by county governors. The geographical division that was chosen had its roots all the way back to the period before the unification of Norway in the ninth century. The build-up of the central administrative apparatus took place after 1814, when Denmark as a consequence of the Napoleonic wars had to surrender Norway to Sweden. Norway then obtained its own constitution, parliament and a certain degree of
autonomy, which was gradually extended until the union with Sweden was dissolved and Norway became an independent state in 1905. Local self-government was introduced by law in 1837. This led to the establishment of municipalities headed by local councils. In each county the mayors of the rural municipalities also formed a county council, chaired by the county governor who provided administrative support. The county governors thus exercised a dual role: on the one hand they were the state’s extended arms, and on the other hand they were promoters and spokespersons of their respective regions.

Initially, the county councils were meant to assist and facilitate co-operation only among the weak rural municipalities. Tasks that were too big for the individual municipality were handed over to the county, which funded the tasks by deductions from the municipal taxes. But during the 1960s, the county councils came to include both the urban and the rural municipalities. Democratic participation was strengthened as the municipal councils appointed more members to the county councils, and the chairman of the council was now elected among the representatives. The country governor did not have that responsibility anymore. An increasing number of tasks were also delegated to the county councils relating to planning, business and regional development, transport and communication, upper secondary education and health care. In 1975, the Norwegian parliament decided to introduce direct elections by universal suffrage to the county councils. At the same time the councils obtained their separate administration and the right to levy their own taxes. Hence, a clear distinction was made between the counties as democratically elected institutions and the offices of the county governors.

The new county authorities were carried forward by a political wave in favour of democracy, self-government, local communities and rural values. Expectations were high. The democratically-elected regional level of government was to remedy public sector co-ordination problems, get rid of technocracy, and bring power back to the people. This great optimism was soon followed by disappointment. The county authorities made plans, but they lacked the instruments to implement them (From and Stava, 1985). They were not in a position to instruct or give orders to central government agencies, municipalities or private actors. The municipalities saw the county authorities as potential rivals and were afraid of becoming subordinated to a new meta-commune. In a similar way, the state was reluctant to equip the county authorities with more power. Instead, the chief representative of the national government in the county, the county governor, was strengthened and given more tasks and responsibilities. The responsibilities of single task state agencies at a regional level have also been increased, in several cases through the enlargement of the regional units. This has led to a more fragmented government structure, described as a movement from federalist principles to single issue clubs (Hansen and Stigen, 2007). During the 1990s, the county authorities’ role in business and regional development was reduced (Bukve, 2000). Likewise, in 2002 the public health care system was reorganized and the responsibility transferred to the state. This step caused the county authorities to lose their most important field of service delivery, which represented more than 60 per cent of their budgets. In compensation, the bulk of regional aid was in 2003 transferred to the county authorities, which were supposed to spend the block grants according to regional development plans and operate as regional development actors in partnership with various regional stakeholders. However, a state-owned industrial and regional development agency, Innovation Norway, still takes care of support measures for individual businesses.

Consequently, the importance and prestige of the county authorities has successively diminished. Voter turnout in the county elections is lower than in the general and local elections, and many of the elected representatives are washed-out politicians about to conclude their political careers. Over the past two decades, the role and future of the third level of government has been a recurrent theme in Norway. Discussions have revolved around...
the issues of the number and optimal size of regions; the task they should be assigned; and the relationship between the regions and other government agencies. Following the hospital reform, even the continued existence of the third level of government has become a matter of debate. But before we take a closer look at the reform proposals and their outcomes, we shall present the landscape in which these debates have evolved.

Centre-periphery cleavages

There is a deep-seated centre-periphery dimension to Norwegian politics (Rokkan, 1975). Throughout history, political mobilization has taken place along different dividing lines, in which the territorial has always played a significant role. When Norway was under Danish rule, the main cleavage was between the periphery nation and the Danish rulers. The introduction of the parliamentary system in 1884 marked the protest of rural populations and their allies against the Swedish king and the Norwegian class of civil service officials. The periphery was also distinguished from the urban centres by a counter-culture, anchored in issues relating to language, temperance and lay Christianity.

Industrialization introduced new class conflicts along functional lines, but the territorial cleavages did not disappear. As Norway entered the era of mass democracy at an early stage of industrialization, agrarian interests played an important economic and political role. Different parts of the country also experienced different models of industrialization (Wicken, 1997). Interestingly, when the Labour Party achieved the election of its first members of Parliament in 1903, they all came from the least industrialized northern part of the country, where the peasants were in opposition to the landlords of the fishing villages. The Labour Party came to power in the 1930s with broad support from the fishers, farmers and those working the land, and for a long time the protection of freehold, independence and rural forms of life has been a central element in the platforms of most Norwegian parties. Since the 1970s, the main aim of Norwegian regional policy has been to maintain the scattered settlement pattern. The centre-periphery dimension recurred in the referenda in 1972 and 1994 as to whether Norway should join the European Community. There was a majority in favour of membership in the capital and the biggest cities, but in the rest of the country the majority was against.

Besides the centre-periphery aspect there is a sense of division between different parts of Norway – northern Norway, mid-Norway, western Norway, southern Norway and eastern Norway, which includes the capital area. These areas are different in terms of topography, climate, dialects and traditions of social organization. During the nineteenth century, the nation-building process ignited region-building efforts in several of the above-mentioned parts of the country. The first one that stood out was northern Norway, which today comprises the three northernmost counties. The process unfolded in many ways in accordance with the stage model outlined by Paasi (1986): firstly an idea of territorial space and regional delimitation took shape. Then this space was given a conceptual or symbolic expression (‘North Norway’). Next, new institutions developed that would represent the region, articulate interests and claims on a regional basis and stimulate regional identity. Finally, the region was fully acknowledged and established as a reality and point of reference in the minds of people both inside and outside the region. Similar processes took place in the southern and western parts of the country, albeit on a more modest scale.

In the case of northern Norway, the process started in the 1880s as an initiative on the part of the diaspora community of northerners in the capital; became an elite project in the region in the inter-war period; and ended up as grassroots regionalism in the 1970s. The process was spurred on by the fact that northern Norway became a designated regional policy
area after the Second World War. In the 1960s, the Norwegian government also initiated a new system of planning, which was meant to establish a hierarchy of plans reaching from national level and down to municipal level. The meso-level pointed out in this system constituted the provincial regions of Norway, such as northern Norway, mid-Norway, eastern Norway, etc. In each of these regions committees of inquiry were appointed to prepare comprehensive plans for industrial development, investments in infrastructure and public services, and the future pattern of settlement. These efforts were closely linked to a growth pole strategy, where the main aim was to restrain centralization to the capital area by creating a network of growth poles in each region. The overall idea was to consolidate the provincial regions by means of decentralized concentration.

By this time, however, the winds had changed regionally. Until now, the regionalist movements had basically represented an integration regionalism, supporting industrialization and the building of the modern welfare state. But by the end of the 1960s more anti-modernist sentiments grew up, emphasizing how industrialization and structural change led to centralization, depopulation of rural areas and a loss of what allegedly constituted the region. The new regional plans were strongly criticized as depoliticized and technocratic desk-work aimed at centralization. Partly as a consequence of this resistance the plans were accorded little practical significance and the planning of larger regions was abandoned. What happened instead was the establishment of directly-elected county authorities. The paradoxical effect of the regionalist movements was thus to split up the provincial regions that had evolved into smaller territorial units and to make the borders of the counties more important in ordering the world.

**Competing regionalization processes**

In recent years, the provincial regions have seen a revival. From the mid-1990s onwards, the counties have strengthened their regional collaboration, including in some cases municipalities and business and trade unions representatives. New regional councils for cooperation between the established counties have been set up in western Norway (the Regional Council for Western Norway), southern Norway (the Agder Council), eastern Norway (Eastern Norwegian County Network) and mid-Norway (the Mid-Norway Council). These initiatives were embarked on in response to the intensified national debates on the future of the county authorities. In addition, they have been inspired by the international ideas of regions as drivers of competitiveness and growth, as well as the mobilization of regions in the EU. The purpose of these new voluntary arrangements has been twofold: on the one hand, the counties want to enhance their influence on central government decisions by joining forces; on the other hand, they seek to reap the benefits of scale by working together in fields of mutual interest. The main fields of co-operation are regional development, transportation, knowledge infrastructure and international collaboration. Through various EU programmes the counties have been linked up to cross-border, transnational and interregional networks and projects, in which many of them play an active role. Some of the regional councils sought experiments where they could obtain responsibility for tasks devolved from the national government, but no such experiments were allowed (Bukve, 2005).

Northern Norway was the pioneer in this kind of regional organization. The Executive Committee for Northern Norway was established as early as in 1974. This body, however, was set up to facilitate dialogue with central authorities in a period characterized by state-directed regional development. Today, when each of the northern counties receives substantial appropriations for regional development directly from the state, collaboration has been hampered by increasing tension and mistrust between the counties.
While the counties have taken steps towards the formalization of new regions, another and competing process has evolved around the largest cities. Cities such as Oslo, Bergen, Kristiansand, Stavanger and Trondheim have established co-operation agreements with neighbouring municipalities (Farsund and Leknes, 2010). This development is first and foremost due to urban sprawl, which implies that municipal boundaries have become too narrow and are now cutting across what are, in effect, integrated employment, service and dwelling areas. But the initiatives have also been influenced by the idea of the cities as hubs in a more knowledge-based and innovation-driven economy. The activities have been dressed up in the rhetoric of intensified territorial competition, the fight for talent and investment, and the need to exploit local potential. Local chambers of commerce and universities are frequently involved. The main areas of co-operation are planning, economic development, infrastructure, and service provision.

In a similar vein, many smaller municipalities outside the city-regions have set up regional councils dealing with economic and community development, and have created inter-municipal companies. These ventures are usually more functional and limited to the provision of specific services (waste management, fire and rescue services, child welfare, etc.), where the municipalities see they have to collaborate in order to lower costs, meet new government requirements or be able to hire qualified personnel.

The regions comprising several counties or several municipalities are the result of initiatives from below, and have led to the development of various organizational structures. They have no formal role in the national political-administrative system, but are based on a shared understanding of mutual interests, interdependence, regional affinity and a feeling of belonging. They are what Bryan and Wolf (2010) call ‘soft regionalism’. The effect of all these new initiatives, however, is that the neatly-drawn picture of a three-tier structure of government – consisting of central government, county authorities, and municipalities – has become blurred.

These trends have been amplified by the fact that central government has undergone several restructurings over the past few decades. There has been a structural devolution from ministries to specialized sector agencies. Public administrative entities have been turned into semi-public or private companies, and more tasks have been contracted out. This development towards the greater autonomy and independence of government organizations has been bolstered by the introduction of management by objectives, the use of performance indicators, and the linking of rewards to measured performance. Sector authorities have also reorganized their territorial structure. While some have closed down their regional offices, others have merged units and chosen new geographical delineations. These decisions have been taken only on the basis of sector considerations. Hence, the regionalization initiatives from below have been supplemented by regionalization initiatives from above, which have created more than 40 functionally defined regions with few or no territorial overlaps (Farsund, 2010). Road authorities, police and tax authorities are all examples of functional state organizations following their own territorial divisions.

**The Norwegian regional reform**

The basic territorial structure of Norwegian government has remained unchanged for a long time, in spite of a massive restructuring of economy and society. Economic growth is concentrated in south-east and south-west Norway. In these areas, growing city regions are crossing county borders and creating a demand for new forms of political co-ordination. On a smaller geographical scale, local labour market and service regions are developing across municipal borders in all parts of the country. The need for revised territorial structures is
recognized by many actors. Over the past twenty years, several government commissions have been appointed, delivering reform proposals which all point in the same direction: a need for bigger territorial units.

But the results have been meagre. Since 1990, three successive attempts to change the regional structure have failed. The first attempt was initiated by Brundtland’s minority government (Labour) in around 1990. A government commission suggested a set of criteria for revising local and regional territorial organization. This proposal was turned down by the Storting, which has the constitutional right to decide on this issue. Surprisingly, the Storting tied itself to the mast by accepting another proposal, stating as a principle that all municipal and regional mergers should be voluntary. In spite of this, the next government commission on structural reform was established only a few years later, this time by a coalition government from centrist parties. The “Task division commission” suggested a regional restructuring from 19 counties to about 10 regions. At this point in time, the European debate and models of new regions were visible in the commission’s work. But this proposal was also defeated in the Storting in 2001.

The third attempt at a regional reform was initiated by Stoltenberg’s red-green coalition government, which ascended to power following the 2005 general election. A regional reform was part of the political manifesto of the red-green government, even though not all players in the coalition were eager for a major reform. The government appointed a commission that outlined several alternatives, but recommended a model comprising 5-7 regions. The arguments surrounding the proposal were in many respects similar to the arguments behind the 1975 county reform: decentralization, democratization, effectiveness and co-ordination. Economic arguments were also prominent. New regions were perceived as a vehicle for innovation and economic competitiveness. ‘Robust regions’ was the new slogan.

In the first run this seemed like a potential winning alternative. But during the political process, and particularly during the hearings, it became clear that support for regional reform was crumbling. Before the Storting made its final decision, the reform was reduced to merely cosmetic changes in the responsibilities of the counties, and no changes were made in the territorial structure.

The interesting question is how it might be possible for three successive governments to experience voting defeats – or have to give in, in order to avoid such a defeat – on the issue of regional reform. The answer to this question is complex, but we want to draw attention to at least five factors that contributed to the outcome (Bukve, 2008; Farsund 2010). The first factor was the influence of politicians and bureaucrats from the peripheral counties and municipalities. The second factor was the more or less open opposition of the state bureaucracy. Both bureaucrats in the ministries and county governors were sceptical towards the devolution of state powers to new regions. The third factor was the leadership in the bigger cities, who wanted more responsibility devolved to themselves rather than to new regions. Factor four was a lack of political leadership around the issue. Factor five was achieving political balance between the political parties, which made it difficult to establish a winning coalition behind any reform. We shall now consider each of the five elements of this explanation a little more closely.

Firstly, we turn to the periphery. As already mentioned, the Norwegian periphery has a relatively strong political position, a fact which was a main theme in Stein Rokkan’s analyses of the political cleavages in Norway. Maybe the most interesting thing is not why the leaders in the periphery opposed territorial reform, but why they appeared to change their minds for a short period around the year 2000. The answer can probably be divided into three. On the one hand, the debate on the Europe of the regions also had an impact in Norway. This debate spurred a hope that new, strong regions could promote regional development and lead to a decentralization of state power. On the other hand, the counties were seeking new options in a
period when they felt that they were losing power and responsibilities. The counties feared that two-tier government could become a politically feasible alternative, and supported bigger regions as a counter-measure. The third propelling force was the Norwegian Association of Local and Regional Authorities (KS), which in the years following 2000 succeeded in building alliances between counties with different positions, and promoted regional reform as a way to devolve power from the capital and the state bureaucracy. In this situation, squeezed county mayors were eager to get on the reform train.

But the alliance between KS and the county mayors broke down when the hearing proposal from the government was presented. The outlined reform was far more limited than had been hoped for. Even though many of the elite figures in the periphery were attracted by the idea of new regions at the initial stage, they were in need of substantial gains if they were to be able to convince a majority of their followers in the ensuing local and regional reform discussions. The final proposal did not help them, and most of the peripheral counties and municipalities opposed reform during the hearing phase. The main argument was that the suggested changes in tasks and responsibilities were too small to justify a major territorial reform, and they simply feared a loss of functions and jobs to the new regional capitals in their neighbouring counties.

A second group that mobilized against reform was the state bureaucracy. Both the bureaucrats in the ministries and the county governors were more or less openly sceptical of the devolution of state powers to new regions. During the reform planning, each ministry was asked to suggest tasks suited to devolved responsibilities. Few ministers were eager to lose control over important policy issues, and if they pointed to feasible changes, their bureaucrats worked hard to show why exactly this or that task was almost impossible to decentralize. The result was that the ministries presented quite a narrow catalogue of potential reform issues to the minister of local government. The county governors also mobilized against the reform. Some of them had strong political networks due to former careers as ministers or party leaders, and they were still able to use this network to prevent a downsizing of their current positions.

The third group of sceptics was the leadership in the bigger cities. Their ambitions were to realize another kind of regionalization, where their cities could be the dynamic motors of growing economic city-regions. Their vision of regionalism was a kind of soft regionalism based on voluntary co-operation and co-ordination between the local governments in the city-regions. In the biggest cities the leadership mostly favoured a two-tier government system, without counties or larger regions as a meso-level.

The balance between centre and periphery has always been a delicate issue in Norwegian politics, and it happened to be true this time too. While the actors in the periphery feared that new regions would lead to centralization, state bureaucrats and some national politicians feared the effects of decentralization. Most of the leadership in the bigger cities wanted another kind of regionalization. The only groups that was clearly in favour of the outlined reform was the leadership in the bigger counties, who could expect to become centres of new regions, and an alliance of Labour and centrist politicians at both national and county levels.

All in all, powerful groups both in the centre and the periphery mobilized against the regional reform, even though it was from different positions. In such a situation, a reform could only get a majority through skilful political leadership. The minister of local government, Åslaug Haga, represented the Centre party, a rural party that has traditionally been against all kinds of centralization efforts. But Haga put her political career at stake by forcefully promoting a major reform. She tried to establish an alliance between the leadership in the periphery and the champions for new regions by presenting the reform as a decentralization reform, involving the devolution of authority from the state bureaucracy to
elected bodies in the regions. In this line of thinking she had support from KS. But she was not eagerly supported by her government colleagues. The prime minister, originally an adherent of a two-tier government model, remained passive and did not express any opinion about the issue. Haga decided to resign after a press campaign against her – not related to the regional reform – and was replaced by a more traditional Centre party minister. Haga’s attempt to build a political alliance behind new regions did not succeed and the reform petered out well before the final voting in the Storting.

In a unitary state such as Norway, the Storting makes decisions concerning the territorial structuring of government. The voting in the Storting may be viewed as a veto point for the reform issue (Farsund and Holmen, 2011). Since the political positions were divided into three groups, any reform solution had to be based on a form of alliance. But such an alliance proved difficult to establish. Three different narratives of territorial reform may be discerned (Bukve, 2008). The first was the idea of bigger and more competitive regions. But this narrative had to compete with a New Public Management inspired narrative focusing on cheap government through a two-tier model. The two-tier model implied abolition of the counties and devolution of authority to bigger local governments. The third narrative emphasized the advantages of small-scale democracy. The Labour and Conservative parties were both divided between the first two narratives, but the party majorities went in opposite directions. Labour’s programme from 2001 promised to implement bigger regions, while the Conservatives’ programme was in favour of a two-tier model. The Progress Party, the Conservatives’ right wing neighbour, also wanted a two-tier system. The left socialists and centrist parties promoted small-scale democracy. When Haga’s attempt to create an alliance between the first and the third position by means of a reform with strong ambitions concerning power decentralization failed, the process ended in a deadlock. Only cosmetic changes in the existing counties’ portfolio of tasks could be agreed upon by the Storting.

Following this reform failure, political attention has now been directed towards changes in the municipal structure. But here, too, the current political power distribution and the self-imposed principle of voluntary mergers make major reforms unlikely in the short term. The most probable change in direction is towards a two-tier model, which might be introduced if the Conservative Party and The Progress Party win a majority in the next general elections. Hence, the regional co-operation taking place in the bigger city-regions seems to be becoming the most important regionalization process in the years ahead.

**The complex formation of regions**

Is it reasonable to say that the failure of regional reform in Norway has made the country an exception in a European context? If we compare it with the rhetoric of the 1990s about the increasing role of regions as economic actors, as arenas for social movements, and as an important level in a European multi-level governance system, it is obvious that Norway follows a much more complex and contradictory pattern. On the other hand, we may ask how useful slogans such as the ‘Europe of the Regions’ are in the general understanding of developments in European countries. Keating (2008) argues that European regions are too heterogeneous to become a uniform sub-national level of government. He says that the imagery of a ‘Europe of the Regions’ always has been overblown.

In one of the rare comparative surveys on the status of regional authorities, Norway does not stand out as exceptional (Marks, Hooghe and Schakel, 2008a, 2008b; Hooghe, Schakel and Marks, 2008). Marks and colleagues have created a comprehensive index of regional authority in 42 countries for the period 1950-2006. In the index they combine measures for regional-level democracy, policy competence, tax-raising powers and the role of
co-determining central government policy. They show that regional authority was broadly stable from 1950 to 1970. Since 1970, however, 29 out of 42 countries have devolved, 11 are unchanged and only two have become marginally less regionalized. In the overall ranking, Norway belongs in the middle group. Norway is also among the countries that strengthened regional authorities as early as the 1970s. Thus, Norway may be viewed as a country where regionalization and devolution occurred early. This has been the typical pattern for the Nordic countries, where local and regional governments were given many of the responsibilities for service provision and the implementation of the welfare state.

An obvious weakness of this survey, however, is that it focuses only on formal regional authority. It does not account for the more complex processes involved. When Carter and Pasquier (2010) suggest viewing regions as contested spaces for politics – or locales for the exercise of power – they call on research that highlights precisely this complexity. They argue that the forms of territorial institutionalization are path dependent, in the sense that they are dependent both on history and the particular context, and will therefore be shaped in different ways in different cases. Regions are not only objects of a European policy, but spaces for political players.

Unquestionably, there are several factors contributing to convergence among the European countries. Dominant narratives and understandings play an important role. Over the past few decades, there has been a strong focus on regional innovation and competitiveness. The territorial aspects of economic development have been widely recognized, and recipes for fostering clusters, innovation and regional assets have been spread by the EU, the OECD, the World Bank and other institutions. In the same way, the key role of sub-national government has been stressed. The 1988 European Charter of Local Self-Government laid down the importance of local democracy and the right to self-government, and the vast majority of the Council of Europe’s 47 member states have signed this charter. The EU has also boosted the regions as part of the Union’s policy for economic, social and territorial cohesion. The Treaty of Amsterdam introduced the principle of subsidiarity and gave the Committee of the Regions formal status within the EU’s decision-making system. In order to manage the Structural Funds and other joint initiatives, the member states have been obliged to set up appropriate regional structures.

But these opportunities have been seized upon in various ways in different countries and regions. Even though the convergence factors keep the regional question on the agenda, they are not sufficient to decide the outcome of political processes. In recent years, a number of studies have confirmed the variety of regional responses to European integration (see, for instance, Baldersheim and Rose, 2010; Bursens and Deforsche, 2008; Feltenius, 2007; Hepburn, 2008; Lawrence, 2010; Lidström, 2007; Loughlin, 2007; Scully and Wyn Jones, 2010). The picture provided by this literature does not reveal a general process of regionalization and devolution of authority. Instead, it becomes clear that the drawing of boundaries, distribution of tasks, formal organization, and principles of government are constantly changing in different directions. There is an increasing diversity and variation in how territories within nation-states are defined and governed. Different cultural grammars, constitutions, administrative structures, the distribution of power in the society, and political cleavages and alliances are taking the countries along varying paths. Even when there is a distinct level of elected regional government, it often finds itself caught in the middle between local and national levels of government, and exposed to both New Public Management reforms and attempts by the central state to take power back in order to introduce new ‘whole-of-government’ approaches.

Lawrence (2010) views the metaphor of multi-level governance as problematic because it implies a general development towards co-management and increasing interdependencies between government levels. He suggests replacing the concept of multi-
level governance with that of a ‘variable geometry’. By means of data from Central Europe he shows how the dynamics of change is different from the one typically covered by the multi-level governance metaphor. Although Lawrence concentrates on Central European countries, the notion of a variable geometry seems to hold for other countries as well. The concise message to be learned is that we should not expect all countries to follow the same trajectory if the point of departure and the context are different.

If we consider the recent history of regional reform in Norway, our conclusion is that it failed primarily because it challenged the delicate political balance between centre and periphery in Norway. Norway is a unitary state dominated by strong norms of equality and centralized state control over welfare policy. But this centralized architecture is balanced by a strong political representation of the periphery, a regional policy with ample support for small-scale development projects and a redistributive welfare policy which gives generous transfers to small municipalities and a high standard of services even in the most remote areas. For the periphery, regionalization in terms of larger and stronger regions was opposed because it might have weakened the privileged links to the state and implied increasing regional imbalances. As Keating has pointed out: “The paradox of decentralisation is that the more autonomy regions gain from the state, the less the state protects them from market forces and so they become increasingly dependent on the market” (Keating, 1998, p. 25). For the state, the reform might have encroached on venerable prerogatives and values, imposed restrictions on nationally defined policies, and reduced the autonomy of central government agencies.

It may be disputed whether this political compromise between national and regional elites has been successful as a policy for regional development. Out-migration from the periphery is consistently high. Educated young people move to the cities where the best career opportunities are to be found. Growth is concentrated in the south-eastern and south-western parts of Norway. On the other hand, this compromise may be viewed as a successful welfare policy made possible by an economy in which the oil and gas sector fills the public coffers. Due to its oil and gas revenues, Norway can afford to pay for a high standard of living in stagnating peripheral communities and the country can also afford to maintain established institutional structures even if they are not the most effective options. Upheavals in this system can only be brought about by a political coalition that is able to restructure the old compromise, or which has the power to overthrow the established balance altogether. Meanwhile, people are voting with their feet. Currently, the growing power and ambitions of the bigger cities seem to be the most important forces that may lead to a new deal.

**Conclusion**

In the literature on globalization, Europeanization and state restructuring, a core assumption has been that European countries are witnessing a general regionalization. The transfer of authority to sub-national units of elected government, operating in a context of multiple actors and networks, has been portrayed as a broad trend. The concept of regions has been widely employed, but so vaguely defined that it has ended up as a blanket term for almost any kind of spatial unit. At the same time, devolution has been discussed within a framework that envisages a transfer of tasks and responsibilities between distinct and clearly defined levels of government. The Norwegian case runs counter to such assumptions. Whereas the idea of a comprehensive regional reform has crumbled away and the existing counties seem to live on overtime, the central state and its sector agencies are reorganizing freely according to their own functional logic. The processes involved cannot be understood as movements of competence, authority and interdependency up and down a ladder. Several kinds of
regionalization processes are taking place, with different actors and at different levels. Social and economic regionalization, bottom-up political enterprises and the reorganization of the national state are all parts of a more complex pattern of territorial institutionalization. So what makes Norway different from other countries also makes the country quite similar: the case shows that regions are contested spaces for politics, and that each country has its own path of territorial institutionalization.

References


